

**4. For free tips and up-to-date information, contact your state insurance department prior to purchasing health, life, auto, home or other insurance coverage.**

Your state insurance department exists to serve you. It is an unbiased source of information on insurance companies and the coverage they offer.

Although each state is different, most insurance departments offer free guides that outline your state's insurance laws and regulations. They also may publish premium comparison reports for your use in shopping for insurance. Take advantage of the services your state insurance department offers and make yourself a smarter insurance consumer.

To help you contact your state insurance department, the NAIC Web site, [www.naic.org](http://www.naic.org), provides a map of the United States with links to each state's insurance department Web site.

### **Get smart!**

This brochure is just the beginning. Contact your state insurance department with questions you may have. For more information about insurance coverage or to find your state insurance department, visit [www.naic.org/gsw](http://www.naic.org/gsw) or call 816-842-3600.



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# **Tips to Help You Get Smart about Insurance**

**Get Smart About Insurance Week**

**January 20-24, 2003**



**When it comes to insurance,  
knowledge is your best policy.**



Brought to you by the  
National Association of Insurance Commissioners  
1-866-SMARTWEEK  
[www.naic.org/gsw](http://www.naic.org/gsw)

## Now is the perfect time to “get smart” about your insurance coverage!

The National Association of Insurance Commissioners (NAIC) and your state insurance department encourage you to double-check your insurance coverage during the second annual **Get Smart About Insurance Week**. Get Smart Week isn't about selling or canceling policies. Its about making sure your family is properly covered.

According to a recent survey commissioned by the NAIC, most Americans feel they have about the right amount of insurance coverage (67 percent), however only 34 percent say they understand the details of the coverage “very well.”

## So what can you do to get smart about your insurance?

### 1. Carefully review the insurance you now carry and identify areas where you may need additional or decreased coverage.

Schedule a yearly insurance check-up with your agent or insurance carrier to review every policy you have ... and to look for areas of too much or too little coverage. In general, you should review your coverage every 12 months or whenever there's a major change in your life (such as a new car, new home, birth or adoption of a child, etc.).

At your annual insurance check-up, don't be afraid to ask a lot of questions and be sure to take good notes. You can create a handy summary of your coverage for your future reference by drawing a line down the middle of a piece of paper and titling one side “What I Have” and the other “What It Means to Me.”

The amount of insurance you need will vary based on your circumstances. Your insurance department can tell you what types and levels of coverage your states laws require you to carry. In general, your property should be insured for at least 80 percent of its replacement value. When considering life insurance, a good rule of thumb is to buy life insurance that is equal to five to 10 times your annual gross income.

### 2. Select insurance agents and carriers with care.

You should only deal with licensed insurance agents who work for companies licensed to sell insurance in your state. (Remember, business cards are not proof of a license.) Your state insurance department is a great resource for information on agent and company licensing status, complaint history and financial stability.

Because not every company charges the same rate for identical products and services, you would be wise to shop at least three companies for the best coverage at the best price. Another factor to consider is the convenience and service of dealing with a local agent, compared to the possible cost savings of dealing with a national company without an office in your area. Regardless of the carrier you choose, remember that an insurance policy is a legal document. Always read the policy application carefully before signing it ... and never sign a blank form.

Ultimately, it's up to insurance companies to choose the people they wish to insure. Some companies specialize in low-risk policies and others in high-risk policies. If a company turns down your request for coverage, check with other companies.

### 3. Dig for discounts.

Depending on the kind of insurance you're considering, there are a number of ways to reduce the cost of coverage:

- **Healthy living** – Some insurers take your lifestyle into consideration when determining premiums. For instance, you may reduce the cost of coverage by stopping smoking, driving more safely, or maintaining a healthy weight.
- **Good driving record** – Many insurers will offer discounts to drivers who have not made an insurance claim, been in an automobile accident, or received a moving violation in three years.
- **Good grades** – Drivers who are legally classified as “youthful drivers” (men under 25 years of age and unmarried women under 21 years of age) all who maintain a B average (3.0 on a 4.0 scale) or better in school often can receive discounts on their auto insurance.
- **Special education or training** – Some insurers offer discounts to drivers who complete a driver education or motor vehicle accident prevention course.
- **Multiple policy** – Some insurers offer discounts of five to 15 percent if you have two or more policies with them. For instance, if you already have a homeowners policy with an insurer, find out if the insurer will discount an auto policy.
- **Safety equipment** – Make certain your insurers know of any safety equipment in the areas they insure. As an example, if you have an alarm on your home or auto, you may be entitled to a discount.
- **Long-time policy** – If you've had coverage through an insurer for a number of years, ask about a reduced premium.
- **Higher deductibles** – A higher deductible generally means a lower premium. But be sure to ask the agent about the pros and cons of higher deductibles before making your decision.